

22 June 1983

MEMORANDUM FOR: Director of Central Intelligence

FROM : [REDACTED]
Director, Soviet Analysis

25X1

SUBJECT : Background on CIA's Current Assessment of Soviet Defense
Spending, Possible Controversy with DIA

1. Action. Please read the attached memo on CIA's current assessment of Soviet defense spending and provide guidance on whether we should go forward with its publication. [REDACTED]

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2. Background. You undoubtedly recall our conversations early this year concerning our new economic assessments of Soviet defense activities. At that time we described our estimate that the growth of the dollar cost of Soviet defense activities since the mid-1970s had slowed because of a virtual leveling off in weapons procurement. This finding was later discussed in detail with DoD although at the time we were unable to be very specific as to why this change in the long-term pattern of growth had occurred. We now have completed a companion paper which presents our assessment in ruble terms, discusses the physical evidence supporting our estimates, and suggests why Soviet military procurement expenditures have leveled off. This memo provides a background for your review of that paper. In particular, it summarizes the events which have taken place since the beginning of the year in two areas-- the review of CIA's Soviet military-economic work carried out by outside technical experts and the interaction between ourselves and DIA on this very sensitive military-economic issue. [REDACTED]

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3. Staff Position. Our current draft on Soviet defense spending was coordinated within the DDI and discussed with the NIC. [REDACTED]

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4. Recommendation. On the basis of the attached memo, we recommend you approve publication of our current assessment of Soviet defense spending. [REDACTED]

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Attachment:

Memo "Status of CIA Assessment of Soviet Defense Spending"

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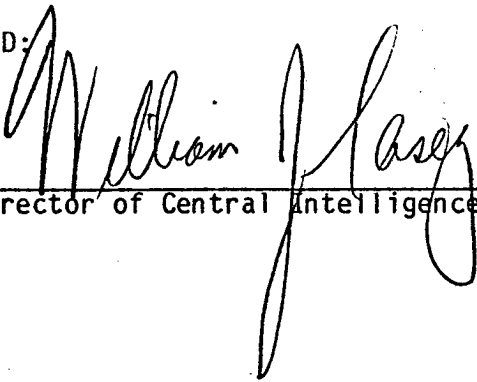
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SUBJECT: Background on CIA's Current Assessment of Soviet Defense
Spending, Possible Controversy with DIA

APPROVED:



Director of Central Intelligence

11 JUL 1983

Date

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Next 4 Page(s) In Document Denied